

**BEAVER COUNTY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

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# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaver County as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beaver County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

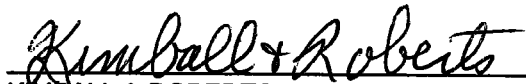
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaver County as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2006, on our consideration of Beaver County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages 6 through 14, 52 and 53 through 57, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Board of County Commissioners  
Beaver County  
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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Beaver County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

May 30, 2006  
Richfield, Utah

## **BEAVER COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion of Beaver County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2005. This report is in conjunction with the County's financial statements.

**All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

The purpose of the County is to provide general services to its residents that includes general government, public safety, public health, highways and public improvements, parks and recreation, and economic development.

### **Financial Highlights**

- \* The assets of Beaver County exceeded its liabilities as of the close of the most recent year by \$14,813 (net assets). There were unrestricted assets at year-end in the amount of \$4,322.
- \* The revenues were more than the adopted budgeted amounts and expenditures were less than the adopted budgeted amounts.
- \* At the close of the current year, the Beaver County governmental funds reported combined ending fund balances of \$10,858. Approximately 19 percent of this total amount, \$2,032 is available for spending at the government's discretion (unreserved fund balance).
- \* At the end of the current year, unreserved fund balance for the general fund was \$1,682, or 30 percent of total general fund expenditures.
- \* Beaver County's total debt increased by \$5,213 during the current year.
- \* Beaver County defeased \$1,355,000 of MBA Lease Revenue Bonds during the year. The County also authorized the issuance of \$8,400,000 of MBA Lease Revenue Bonds for the building of an addition to the correctional facilities. During 2005, \$6,900,000 of these bonds were issued.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Beaver County's basic financial statements. Beaver County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of Beaver County's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of Beaver County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Beaver County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Beaver County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Beaver County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development.

The government-wide financial statements include not only Beaver County itself (known as the primary government), but also five legally separate special service districts, two for fire protection, one for hospital services, one for solid waste and one for the multi purpose activities at the Elk Meadows area, for which Beaver County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Beaver County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Beaver County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Beaver County maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general , B-Road, Debt Service, and Municipal Building Authority, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Beaver County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those fund are *not* available to support Beaver County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

#### **Notes To The Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Beaver County.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

#### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Beaver County, assets exceeded liabilities by \$14,813 at the close of the most recent fiscal year.

By far the largest portion of Beaver County's net assets reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Beaver County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Beaver county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



**Governmental Activities:****Beaver County's Net Assets**

	<u>2005</u>	<u>2004</u>
Current and Other Assets	11,681	6,862
Capital Assets	<u>18,510</u>	<u>16,965</u>
Total Assets	<u>30,191</u>	<u>23,827</u>
Current Liabilities	769	511
Long-Term Liabilities	<u>14,609</u>	<u>9,169</u>
Total Liabilities	<u>15,378</u>	<u>9,680</u>
Net Assets:		
Invested in Capital Assets - Net of Related Debt	3,020	8,024
Restricted	7,471	784
Unrestricted	<u>4,322</u>	<u>5,339</u>
Total Net Assets	<u>14,813</u>	<u>14,147</u>

A portion of Beaver County's net assets (50 percent) represents resources that are subject to external restrictions on how they may be used. At year end Beaver County is able to report positive balances in all categories.

Governmental activities increased Beaver County's net assets by \$666. Key elements of this increase follows:

**Beaver County's Changes in Net Assets**

	<u>2005</u>	<u>2004</u>
<b>Revenues:</b>		
Program Revenues:		
Charges For Services	4,311	4,364
Operating Grants and Contributions	1,510	1,472
General Revenues:		
Property Taxes	1,124	1,091
Other Taxes	569	431
Grants and Contributions Not		
Restricted to Specific Programs	529	518
Unrestricted Investment Earnings	149	60
Other	<u>37</u>	<u>59</u>
Total Revenues	<u>8,229</u>	<u>7,995</u>

### Beaver County's Changes In Net Assets (Continued)

	<u>2005</u>	<u>2004</u>
<b>Expenses:</b>		
General Government	1,566	1,579
Public Safety	3,693	3,467
Public Health	395	264
Highways and Public Improvements	982	1,454
Parks and Recreation	158	153
Economic Development	372	359
Interest on Long-Term Debt	<u>396</u>	<u>335</u>
<b>Total Expenses</b>	<u>7,562</u>	<u>7,611</u>
 Increase in Net Assets	 667	 384
 Net Assets - Beginning	 <u>14,146</u>	 <u>13,762</u>
 Net Assets - End	 <u>14,813</u>	 <u>14,146</u>

#### Financial Analysis of the Government's Funds

As noted earlier, Beaver County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of Beaver County's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Beaver County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Beaver County's governmental funds reported combined ending fund balances of \$10,858, an increase of \$5,671 in comparison with the prior year. Approximately 19 percent of this amount (\$2,031) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to highways and public improvements \$998; and 2) to Debt Service \$1,352 and 3) to Capital Outlay 6,476.

The general fund is the chief operating fund of Beaver County. At the end of the current year, unreserved fund balance of the general fund was \$1,682. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 30 percent of total general fund expenditures.

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of \$3 can be briefly summarized as follows:

- \* \$53 decrease in general government.
- \* \$49 increase in public safety.
- \* \$2 decrease in parks and recreation.
- \* \$71 increase in economic development.
- \* \$8 increase in health and welfare
- \* \$70 decrease in contributions and transfers

Of this increase, the \$3 was funded out of intergovernmental revenue, charges for services and fines and forfeitures. During the year actual revenues exceeded budgeted revenues by \$327, and actual expenditures were less than budgeted expenditures by \$11 resulting in a net increase in fund balance of \$338.

## Capital Asset and Debt Administration

### Capital Assets

Beaver County's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$17,193 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads, highways and bridges. The total decrease in Beaver County's investment in capital assets for the current year was \$145. Major capital asset events during the current year included the following:

- \* Investment in building, \$451; investment in equipment & automobiles, \$327; and \$44 in land.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

### Beaver County's Capital Assets (net of depreciation)

	<u>2005</u>	<u>2004</u>
Land	214	169
Rights of Way	286	286
Infrastructure	8,588	8,588
Construction in Progress	451	0
Buildings	6,979	7,213
Equipment	<u>675</u>	<u>709</u>
Total	<u>17,193</u>	<u>16,965</u>

Additional information on Beaver county's capital assets can be found in the notes to the financial statements.

## Long -Term Debt

At the end of the current year, Beaver County had total bonded debt outstanding of \$14,572. The debt is represented by the following:

### Beaver County's Outstanding Debt

	<u>2005</u>	<u>2004</u>
General Obligation Bonds	6,968	6,822
Revenue Bonds	6,955	1,889
Special Assessment Bonds	<u>649</u>	<u>682</u>
Total	<u>14,572</u>	<u>9,393</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the County. The current debt limitation for Beaver County is \$33,448. Beaver County has general obligation debt of \$6,968 as of December 31, 2005.

Additional information on Beaver County's long-term debt can be found in the notes of the financial statements.

### Economic Factors and Next Year's Budgets and Rates

- \* The unemployment rate for Beaver County is 4.1 percent which is a decrease from a rate of 4.9 percent a year ago. This is slightly lower than the State's average unemployment rate of 4.3 percent. The national unemployment rate for the same period was 5.1 percent.

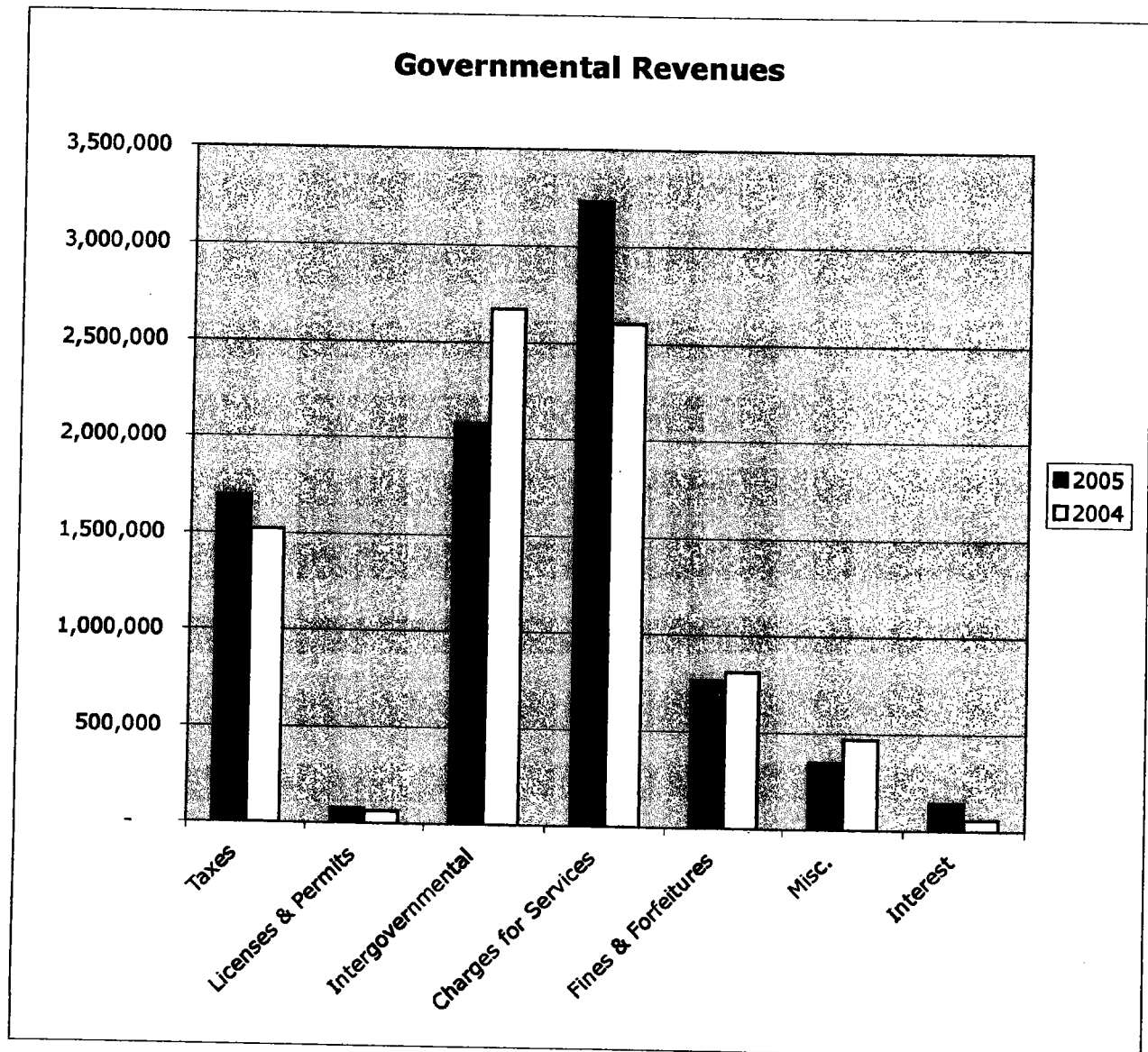
These factors were considered in preparing Beaver County's budget for the 2006 year.

### Request for Information

This financial report is designed to provide a general overview of Beaver County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Beaver County Clerk/Auditor, P. O. Box 392, Beaver, Utah, 84713.

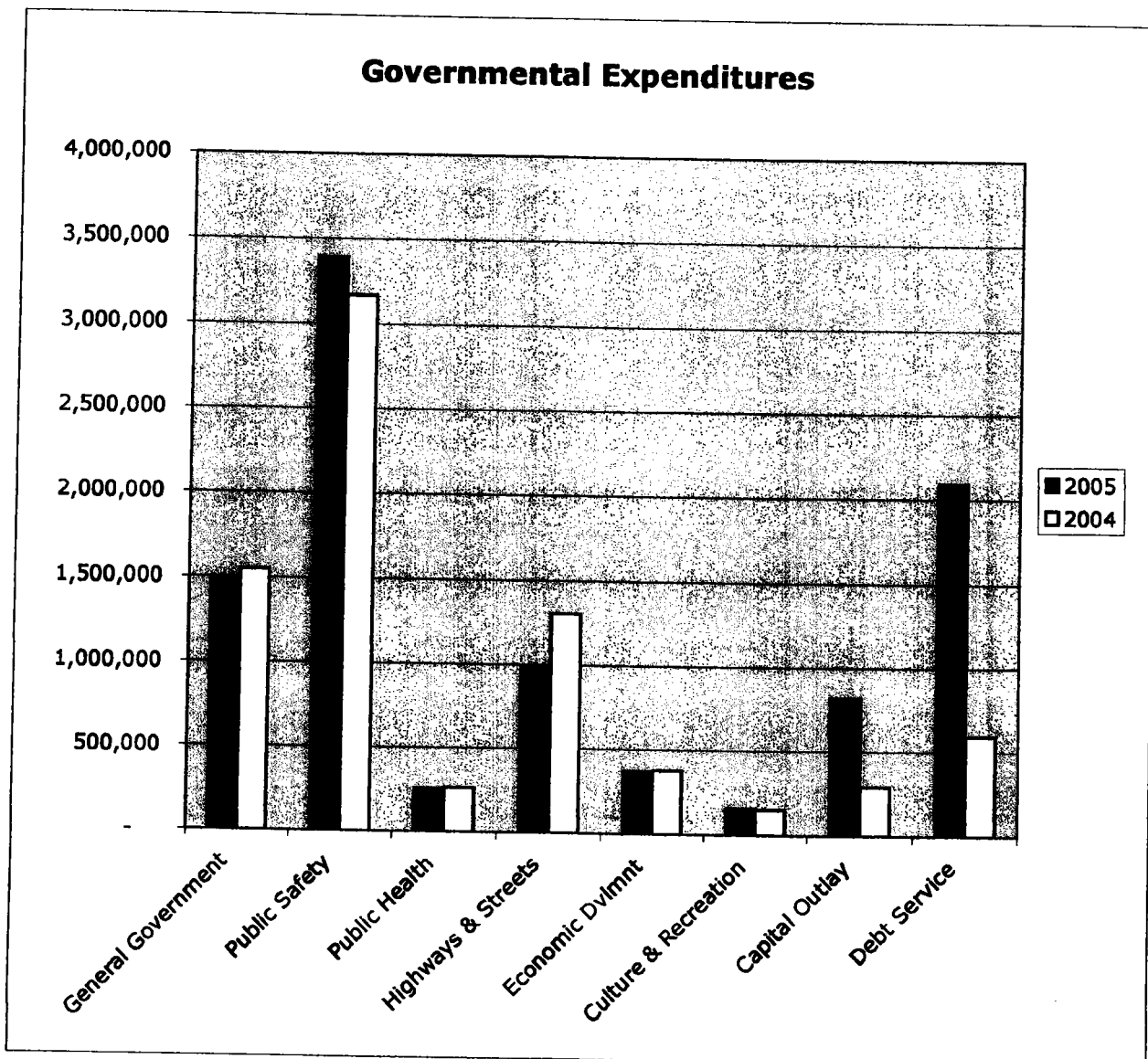
**Beaver County  
Governmental Revenues  
For The Years Ending December 31, 2005 and 2004**

	2005	2004
Taxes	1,694,587	1,520,951
Licenses & Permits	76,320	65,200
Intergovernmental	2,077,615	2,673,831
Charges for Services	3,233,912	2,604,468
Fines & Forfeitures	770,452	813,878
Misc.	350,255	468,636
Interest	145,786	56,705
Total Revenues	<u>8,348,927</u>	<u>8,203,669</u>



**Beaver County  
Governmental Expenditures  
For The Years Ending December 31, 2005 and 2004**

	2005	2004
General Government	1,497,961	1,547,317
Public Safety	3,392,620	3,170,456
Public Health	257,930	264,009
Highways & Streets	982,631	1,306,315
Economic Dvlmnt	372,499	378,210
Culture & Recreation	158,197	152,748
Capital Outlay	821,930	293,265
Debt Service	2,094,464	596,670
<b>Total Expenditures</b>	<b>9,578,232</b>	<b>7,708,990</b>



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# **BASIC FINANCIAL STATEMENTS**

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**BEAVER COUNTY  
STATEMENT OF NET ASSETS**

December 31, 2005

	Primary Governmental Activities	Component Units
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	3,497,547	1,428,297
Accounts Receivable (Net)	383,358	328,954
Taxes Receivable	-	1,821
Interest Receivable	-	92,436
Deferred Charges - Refund Bonds	30,837	-
Special Assessments Receivable	170,000	198,617
Due From Other Government Units	763,411	81,894
Prepaid Expenses	-	4,472
Total Current Assets	<u>4,845,153</u>	<u>2,136,491</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	6,830,440	272,534
Special Assessments Receivable	765,000	859,916
Deferred Charges	558,074	-
Prepaid Expenses	-	6,780
Capital Assets (Net of Accumulated Depreciation)	<u>17,192,719</u>	<u>4,351,242</u>
Total Noncurrent Assets	<u>25,346,233</u>	<u>5,490,472</u>
<b>TOTAL ASSETS</b>	<u><b>30,191,386</b></u>	<u><b>7,626,963</b></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	616,977	33,370
Bond Interest Payable	21,000	42,458
Deferred Credits - Bond Premium	3,474	-
G. O. Bond Payable	68,000	-
Revenue Bonds Payable	26,854	33,000
Special Assessment Bonds Payable	33,000	95,000
Capital Lease Obligations	-	99,435
Total Current Liabilities	<u>769,305</u>	<u>303,263</u>
Noncurrent Liabilities:		
Notes Payable	-	200,000
Deferred Credits - Bond Premium	52,103	-
G. O. Bond Payable	6,900,000	-
Revenue Bonds Payable	6,928,062	732,000
Special Assessment Bonds Payable	616,000	955,000
Capital Lease Obligations	-	151,560
Closure and Postclosure Costs	-	238,067
Compensated Absences	<u>113,141</u>	<u>-</u>
Total Noncurrent Liabilities	<u>14,609,306</u>	<u>2,276,627</u>
<b>TOTAL LIABILITIES</b>	<u><b>15,378,611</b></u>	<u><b>2,579,890</b></u>
<b>NET ASSETS</b>		
Investment in Capital Assets, Net of Related Debt	3,019,996	2,053,788
Restricted For:		
Class B Road	878,426	-
Transient Room Tax	119,185	-
Capital Outlay	6,472,964	-
Debt Service	-	227,853
Fire Protection	-	62,740
Landfill Postclosure	-	17,392
Unrestricted	<u>4,322,204</u>	<u>2,685,300</u>
<b>TOTAL NET ASSETS</b>	<u><b>14,812,775</b></u>	<u><b>5,047,073</b></u>

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY  
STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2005

Function/Programs Primary Government: Governmental Activities:	Expenses	Program Revenues		Primary Government		Net (Expense) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants/ Contributions	Governmental Activities	Total	
General Government	1,565,963	970,702	101,900	(493,361)	(493,361)	-
Public Safety	3,693,117	3,162,817	35,696	(494,604)	(494,604)	-
Public Health	394,890	8,564	162,504	(223,822)	(223,822)	-
Highways and Public Improvements	982,631	125,504	1,186,577	329,450	329,450	-
Park and Recreation	158,197	8,444	23,200	(126,553)	(126,553)	-
Economic Development	372,499	35,175	-	(337,324)	(337,324)	-
Interest on Long-Term Debt	396,181	-	-	(396,181)	(396,181)	-
Total Primary Government	<u>7,563,478</u>	<u>4,311,206</u>	<u>1,509,877</u>	<u>(1,742,395)</u>	<u>(1,742,395)</u>	-
<b>Component Units:</b>						
Ambulance and Fire District #1	235,860	146,667	10,060	-	-	(51,903)
Fire District #2	113,220	28,320	-	-	-	(40,900)
Hospital District #3	156,489	58,818	3,672	-	-	(93,999)
Service District #5	505,349	418,007	156,405	-	-	69,063
Elk Meadows SSD #6	254,578	225,194	-	-	-	(29,384)
Total Component Units	<u>1,265,496</u>	<u>877,006</u>	<u>170,137</u>	-	-	<u>(147,123)</u>
<b>General Revenues:</b>						
Property Taxes				1,124,118	1,124,118	404,756
Fee-In-Lieu of Property Taxes				61,063	61,063	-
Sales Taxes				328,660	328,660	-
Transient Room Tax				103,230	103,230	-
Restaurant Tax				77,516	77,516	-
Grants and Contributions Not Restricted to Specific Programs				529,174	529,174	-
Unrestricted Investment Earnings				149,260	149,260	101,623
Other Income				-	-	(680)
Gain on Sale of Capital Asset				35,639	35,639	-
Total General Revenues and Transfers				<u>2,408,660</u>	<u>2,408,660</u>	<u>505,699</u>
Change in Net Assets				666,265	666,265	358,576
Net Assets - Beginning				14,146,510	14,146,510	4,688,497
Net Assets - Ending				<u>14,812,775</u>	<u>14,812,775</u>	<u>5,047,073</u>

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2005**

	General Fund	Class B Roads	Debt Service	Municipal Building Authority	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	1,286,317	716,908	1,155,290	6,833,040	336,432	10,327,987
Accounts Receivable (Net)	206,375	120,000	50,000	-	6,983	383,358
Special Assessments Receivable	-	360,000	575,000	-	-	935,000
Due From Other Government Units	384,674	191,781	146,793	-	40,163	763,411
<b>TOTAL ASSETS</b>	<u>1,877,366</u>	<u>1,388,689</u>	<u>1,927,083</u>	<u>6,833,040</u>	<u>383,578</u>	<u>12,409,756</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	195,488	30,263	-	357,476	33,750	616,977
Deferred Revenue	-	360,000	575,000	-	-	935,000
<b>Total Liabilities</b>	<u>195,488</u>	<u>390,263</u>	<u>575,000</u>	<u>357,476</u>	<u>33,750</u>	<u>1,551,977</u>
Fund Balances:						
Reserved For:						
Class B Road	-	998,426	-	-	-	998,426
Capital Outlay	-	-	-	6,475,564	-	6,475,564
Debt Service	-	-	1,352,083	-	-	1,352,083
Unreserved, Reported In:						
General Fund	1,681,878	-	-	-	-	1,681,878
Special Revenue Funds	-	-	-	-	349,828	349,828
<b>Total Fund Balance</b>	<u>1,681,878</u>	<u>998,426</u>	<u>1,352,083</u>	<u>6,475,564</u>	<u>349,828</u>	<u>10,857,779</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>1,877,366</u>	<u>1,388,689</u>	<u>1,927,083</u>	<u>6,833,040</u>	<u>383,578</u>	<u>12,409,756</u>

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY**  
**BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**December 31, 2005**

Total Fund Balances - Governmental Fund Types	10,857,779
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	213,629
Right of Way	286,330
Paved Roads	8,587,420
Construction In Progress	450,890
Buildings	6,978,993
Equipment	<u>675,457</u>

Total - Net of Depreciation	17,192,719
-----------------------------	------------

Other assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:

Deferred Charges - Refunding Bonds	588,911
------------------------------------	---------

Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Lease Revenue Bonds	(6,954,916)
General Obligation Bonds	(6,968,000)
Special Assessment Bonds	(649,000)
Compensated Absences	(113,141)
Bond Interest Payable	<u>(21,000)</u>

Total	(14,706,057)
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Other liabilities included on the government-wide financial statements but are not due and payable in the current period and not included in the fund statements:

Deferred Credits	(55,577)
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Other long-term liabilities, deferred revenue, not included in government-wide financial statements on the accrual basis.

935,000

Net Assets of Government Activities

14,812,775

**BEAVER COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2005

	General Fund	Class B Roads	Debt Service	Municipal Building Authority	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	1,396,717	-	-	-	297,870	1,694,587
Licenses and Permits	76,320	-	-	-	-	76,320
Intergovernmental	891,038	1,186,577	-	-	-	2,077,615
Charges for Services	2,486,091	-	747,821	-	-	3,233,912
Fines and Forfeitures	770,452	-	-	-	-	770,452
Interest	112,951	-	1,011	31,824	-	145,786
Miscellaneous	172,028	245,504	50,000	-	52,723	520,255
<b>Total Revenues</b>	<b>5,905,597</b>	<b>1,432,081</b>	<b>798,832</b>	<b>31,824</b>	<b>350,593</b>	<b>8,518,927</b>
<b>Expenditures:</b>						
Current:						
General Government	1,497,961	-	-	-	-	1,497,961
Public Safety	3,344,740	-	-	-	47,880	3,392,620
Public Health	212,707	-	-	-	45,223	257,930
Highways/Public Improvements	-	982,631	-	-	-	982,631
Parks and Recreation	3,537	-	-	-	-	3,537
Economic Development	295,019	-	-	-	77,480	372,499
Culture and Recreation	-	-	-	-	154,660	154,660
Capital Outlay	214,060	156,980	-	450,890	-	821,930
Debt Service:						
Principal	-	-	1,711,000	-	-	1,711,000
Interest	-	-	383,464	-	-	383,464
<b>Total Expenditures</b>	<b>5,568,024</b>	<b>1,139,611</b>	<b>2,094,464</b>	<b>450,890</b>	<b>325,243</b>	<b>9,578,232</b>
<b>Excess Revenue Over (Under)</b>						
Expenditures	337,573	292,470	(1,295,632)	(419,066)	25,350	(1,059,305)
<b>Other Financing Sources (Uses):</b>						
Transfers In (Out)	-	-	265,112	(265,112)	-	-
Bond Proceeds	-	-	-	6,900,000	-	6,900,000
<b>Total Other Financing</b>	<b>-</b>	<b>-</b>	<b>265,112</b>	<b>6,634,888</b>	<b>-</b>	<b>6,900,000</b>
<b>Net Change In Fund Balance</b>	<b>337,573</b>	<b>292,470</b>	<b>(1,030,520)</b>	<b>6,215,822</b>	<b>25,350</b>	<b>5,840,695</b>
<b>Fund Balance - Beginning</b>	<b>1,344,305</b>	<b>705,956</b>	<b>2,382,603</b>	<b>259,742</b>	<b>324,478</b>	<b>5,017,084</b>
<b>Fund Balance - Ending</b>	<b>1,681,878</b>	<b>998,426</b>	<b>1,352,083</b>	<b>6,475,564</b>	<b>349,828</b>	<b>10,857,779</b>

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Year Ended December 31, 2005**

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	5,840,695
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays	821,930	
Depreciation Expense	<u>(471,766)</u>	
Total		350,164

Revenues in the funds on a cash basis are not revenues in the Statement of Activities which is on the accrual basis:

Special Assessment Receipts	(170,000)	
Capital Assets Sold	<u>(122,658)</u>	
Total		(292,658)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Revenue Bond Proceeds	(6,900,000)	
Payment to Refunded Bond Escrow Agent	1,355,000	
Payment of Long-Term Debt	<u>365,698</u>	
Total		(5,179,302)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in Compensated Absences	(27,723)	
Amortization of Deferred Debits	(36,807)	
Amortization of Deferred Credits	3,474	
Decrease in Accrued Interest Payable	<u>8,422</u>	
Total		<u>(52,634)</u>

Changes In Net Assets of Governmental Activities	<u><u>666,265</u></u>
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**BEAVER COUNTY  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUND**

**December 31, 2005**

**ASSETS:**

Cash Invested	1,472,035
Accounts Receivable	11,083
Taxes Receivable	<u>18,561</u>
 TOTAL ASSETS	 <u>1,501,679</u>

**LIABILITIES:**

Collections Payable	1,477,109
Due to Taxing Units	<u>24,570</u>
 TOTAL LIABILITIES	 <u><u>1,501,679</u></u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of Beaver County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The basic accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2005.

**A. Reporting Entity:**

For financial reporting purposes, Beaver County has included all funds. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these basic financial statements present Beaver County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, that issued separate financial statements, can be obtained from the Beaver County Auditor's office.

**Discrete Component Units:**

These component units are entities which are legally separate from the County, but are financially accountable to the County or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve their tax rates and debt. The County could also take away their operating authority and could dissolve the District. Each of these districts was organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component units column of the combined financial statements include the financial data of the following entities:

- \* Beaver Fire District #1 (Governmental and Proprietary Fund Type) - This Special Service District was organized under the State of Utah's Statute for Special Service Districts, by Beaver County. The District operates under a Board of Directors and provides emergency fire protection and ambulance service as authorized by its charter. The Districts Administrative Board consists of five (5) members, each of whom was appointed by the County Commissioners. The District



**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

was audited by other independent auditors, and their report, dated June 28, 2006, has been previously issued under separate cover. A copy of the report can be obtained at the Beaver County Auditor's office in Beaver, Utah.

- \* **Beaver County Special Service District #2 (Governmental Fund Type)** - The District was created by the adoption of a resolution to establish a special service district by the Beaver County Commissioners on March 4, 1976. The District was established for the purpose of providing the service of fire protection. The District's Administrative Control Board consists of five (5) members, each of whom was appointed by the County Board of Commissioners. The District was compiled by other independent auditors, and their report, dated June 5, 2006, has been previously issued under separate cover. A copy of the report can be obtained at the office of the Beaver County Auditor in Beaver, Utah.
- \* **Beaver County Special Hospital Service District #3 (Governmental Fund Type)** - The District was established by resolution of the Board of County Commissioners of Beaver County on October 4, 1982, pursuant to State law, to provide hospital services to the territory which includes the municipalities of Milford City and Minersville Town. The District was audited by other independent auditors, and their report, dated April 24, 2006, has been previously issued under separate cover. A copy of the report can be obtained at the Beaver County Auditor's Office in Beaver, Utah.
- \* **Elk Meadows Special Service District (Proprietary Fund Type)** - The District was created by the adoption of a resolution to establish a special service district by the Beaver County Commissioners on May 1, 1995. The District was established for the purpose of construction, repairing and maintaining water, sewage, drainage, flood control, transportation, recreation, street lighting and snow removal services within the boundaries of the District. The District's Administrative Board consists of three (3) members, each of whom is appointed by the Board of County Commissioners. The Board of County Commissioners appoints the initial two (2) members to serve a two-year term and the remaining member to serve a four-year term, the determination of who shall serve in each category to be made by lot. Terms commenced on February 25, 1997. A copy of the report can be obtained at the Beaver County Auditor's Office in Beaver, Utah.
- \* **Waste Management Service District #5 (Proprietary Fund Type)** - The District was created by the adoption of a resolution to establish a special service district by the Beaver County Commission, pursuant to State law, to provide solid waste sanitation disposal services to the communities within the District. The District was audited by other independent auditors, and their report, dated July 12, 2006, has been previously issued under separate cover. A copy of the report can be obtained at the office of the Beaver County Auditor in Beaver, Utah.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Blended Component Unit:**

The County established by resolution a building authority for the purpose of, but not limited to, acquiring, leasing, constructing, furnishing, maintaining or operating a jail building and related facilities, and to acquire or lease land required for or related to these purposes. The governing board of the Building Authority is the County Commission. The Building Authority is accounted for in a special revenue fund.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Beaver County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The B Road Fund receives funding from the State Department of Transportation to be expended on eligible B Roads in the County.

The Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The Municipal Building Authority accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The Government also reports the following Other Governmental Funds:

Tushar Campground, E-911, Library, Public Health, Mosquito Abatement, Restaurant Tax, and Transient Room Tax. These funds account for revenue sources that are restricted to expenditures for specific purposes.

Additionally the Government reports the following fund type:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer for the taxing entities within the County.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

**BEAVER COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Improvements Other Than Buildings	20 Years
Equipment	5 - 10 Years

**Compensated Absences:**

It is the County's policy to permit employees to accumulate earned but unused vacation and comp time benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Property Taxes:**

Property taxes are assessed and collected for the County by Beaver County and remitted to the County shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable November 1, and are delinquent after November 30. All dates are in the year of levy.

**G. Budgets and Budgetary Accounting:**

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the County Auditor and County Commissioners on or before December 15 for the following fiscal year beginning January 1. Estimated revenues and appropriations may be increased or decreased by resolution of the County Commissioners at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the County's budgetary control (the level at which the County's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. The maximum in the General Fund may not exceed 50% of the General Fund's total revenue.

Once adopted, the budget may be amended by the County Commissioners without a public hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Commissioners, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The County maintains a cash and investment pool that is available for use by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

**Deposits:**

At December 31, 2005, the carrying amount of the County's deposits for the primary government was \$1,780,593 and the bank balance was \$2,141,312. Of the bank balance, \$200,000 was covered by federal depository insurance. At December 31, 2005, the carrying amount of the component units was \$486,379 and the bank balance was \$506,521. Of the bank balance, \$362,334 was covered by federal depository insurance. State statutes do not require collateral to be pledged for deposits.

**Primary Government:**

Cash and investments as of December 31, 2005, consist of the following:

	<u>Fair Value</u>
Demand Deposits	1,780,593
Investments - PTIF	9,696,946
Repurchase Agreements	<u>322,483</u>
Total Cash and Investments	<u><u>11,800,022</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	2,857,412
Governmental Activities - Restricted	<u>7,470,575</u>
Total Governmental Activities	10,327,987
Fiduciary Fund	<u>1,472,035</u>
Total Cash and Cash Equivalents	<u><u>11,800,022</u></u>

**Component Units:**

Cash and investments as of December 31, 2005, consist of the following:

	<u>Fair Value</u>
Cash On Hand	240
Demand Deposits	486,330
Investments - PTIF	<u>1,214,261</u>
Total Cash and Investments	<u><u>1,700,831</u></u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	1,428,297
Governmental Activities - Restricted	<u>272,534</u>
Total Cash and Cash Equivalents	<u>1,700,831</u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that County funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.



**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk:**

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2005, \$1,580,593 of the local government's bank balances of \$1,780,593 were uninsured and uncollateralized.

**Credit Risk:**

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2005, the local governments has investments of \$9,696,946 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 3 - TAXES RECEIVABLE - AGENCY FUND**

Beaver County assesses and collects taxes for the taxing units of the County. The County then remits such monies to the taxing units according to the tax rates set by each taxing unit. The amount of \$18,561 represents monies collected by the County Treasurer and not yet remitted to the taxing units.

**NOTE 4 - SPECIAL ASSESSMENT RECEIVABLE**

The County has created two special assessment districts with Circle 4 Farms for the repayment of monies expended for road projects for the benefit of Circle 4 Farms. The terms of the agreements require Circle 4 Farms to make annual payments of \$120,000 and \$50,000 to the County. The first project was funded by the County from surplus road funds. The second project was funded by a loan from the Community Impact Board of \$775,000 which requires payments over 20 years with interest at 2.5%. The County will make the debt service payment to CIB and Circle 4 Farms will reimburse the County for the amount of the debt service payment.

The following is a summary of required payments to the County:

	<u>Principal</u>	<u>Principal</u>
2006	120,000	50,000
2007	120,000	50,000
2008	-	50,000
2009	-	50,000
2010	-	50,000
2011-2015	-	250,000
2016-2020	-	195,000
	<u>240,000</u>	<u>695,000</u>
Total		

**NOTE 5 - DUE FROM OTHER GOVERNMENT UNITS**

The receivable from other governmental units are as follows:

<u>Agency</u>	<u>Amount</u>
Class B Roads	180,698
State Agencies	571,630
Federal Agencies	<u>11,083</u>
Total Receivable	<u>763,411</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2005, was as follows:

**Primary Government:**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	169,329	44,300	-	213,629
Rights of Way	286,330	-	-	286,330
Construction In Progress	-	450,890		450,890
Infrastructure	<u>8,587,420</u>	<u>-</u>	<u>-</u>	<u>8,587,420</u>
 Total Capital Assets Not Being Depreciated	<u>9,043,079</u>	<u>495,190</u>	<u>-</u>	<u>9,538,269</u>
 Capital Assets Being Depreciated:				
Buildings	9,570,935	-	-	9,570,935
Improvements Other Than Buildings	56,260	-	-	56,260
Equipment	<u>3,031,549</u>	<u>326,743</u>	<u>187,808</u>	<u>3,170,484</u>
 Total Capital Assets Being Depreciated	<u>12,658,744</u>	<u>326,743</u>	<u>187,808</u>	<u>12,797,679</u>
 Less Accumulated Depreciation For:				
Buildings	2,357,190	234,752	-	2,591,942
Improvements Other Than Buildings	56,260	-	-	56,260
Equipment	<u>2,323,160</u>	<u>237,014</u>	<u>65,147</u>	<u>2,495,027</u>
 Total Accumulated Depreciation	<u>4,736,610</u>	<u>471,766</u>	<u>65,147</u>	<u>5,143,229</u>
 Total Capital Assets Being Depreciated (Net)	<u>7,922,134</u>	<u>(145,023)</u>	<u>122,661</u>	<u>7,654,450</u>
 Governmental Activities Capital Assets, Net	<u><u>16,965,213</u></u>	<u><u>350,167</u></u>	<u><u>122,661</u></u>	<u><u>17,192,719</u></u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>
General Government	34,309
Public Safety	300,497
Highways and Public Improvements	<u>136,960</u>
Total Depreciation Expense	<u><u>471,766</u></u>

**Component Units:**

Statement of Changes in Capital Assets (Component Units) as of December 31, 2005:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	<u>35,140</u>	<u>-</u>	<u>-</u>	<u>35,140</u>
Capital Assets Being Depreciated:				
Buildings	1,166,812	353,115	-	1,519,927
Equipment	<u>1,007,173</u>	<u>69,421</u>	<u>35,700</u>	<u>1,040,894</u>
Total Capital Assets Being Depreciated	2,173,985	422,536	35,700	2,560,821
Less Accumulated Depreciation	<u>(908,162)</u>	<u>(159,811)</u>	<u>(35,700)</u>	<u>(1,032,273)</u>
Total Capital Assets Being Depreciated (Net)	<u>1,265,823</u>	<u>262,725</u>	<u>-</u>	<u>1,528,548</u>
Governmental Activities Capital Assets, Net	<u>1,300,963</u>	<u>262,725</u>	<u>-</u>	<u>1,563,688</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	69,350	-	-	69,350
 Total Capital Assets Not Being Depreciated	69,350	-	-	69,350
Capital Assets Being Depreciated:				
Buildings	171,728	-	-	171,728
Improvements Other Than Buildings	2,327,534	9,342	-	2,336,876
Equipment	1,164,839	301,264	7,800	1,458,303
 Total Capital Assets Being Depreciated	3,664,101	310,606	7,800	3,966,907
 Less Accumulated Depreciation	(1,097,064)	(159,440)	(7,800)	(1,248,704)
 Total Capital Assets Being Depreciated (Net)	2,567,037	151,166	-	2,718,203
 Business Type Activities Capital Assets, Net	2,636,387	151,166	-	2,787,553
 Total - Government Wide	3,937,350	413,891	-	4,351,241

**NOTE 7 - LONG-TERM DEBT**  
**Primary Government:**

**Sick Leave:**

Employees are allowed 12 days of sick leave each year at one day per month. Sick leave may be accumulated up to 60 days. At year end, any accumulated sick leave in excess of 60 days will be paid at 50% of the employee's daily rate.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Compensated Absences:**

The amount of compensated absences at year end was \$113,141. This has been calculated from accrued compensatory time.

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
Compensated Absences	85,418	27,723	-	113,141

**Lease Revenue Bond:**

The County issued a Lease Revenue Bond Series 1987 in the amount of \$380,560 at an interest rate of 4.5%. The bond is secured by means of a pledge and assignment of lease, and the revenues and receipts derived by the County from the project. Balance at year end was \$54,916.

The following is a summary of debt service charges to maturity for the lease revenue bond.

Year	Principal	Interest	Total
2006	26,854	2,471	29,325
2007	28,062	1,263	29,325
Totals	54,916	3,734	58,650

**Public Safety Building:**

During 1997 the County obtained sufficient funding for the construction of a public safety building which includes a jail, related law enforcement offices and state courts. Construction began in 1997 and has been completed. The long-term funding for the construction was as follows:

Agency	Amount
CIB General Obligation Bonds - Series 1997A	1,400,000
General Obligation Bonds - Series 1997B	5,100,000
Community Impact Board Grant	854,000
Municipal Building Authority Lease Revenue Bonds	2,555,000
Total funding Sources	9,909,000

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

During 1997 Beaver County issued General Obligation Bonds in the amounts of \$5,100,000 and \$1,400,000. In addition, the County also issued \$2,555,000 of Lease Revenue Bonds through Municipal Building Authority which will be funded by lease revenues obtained by the Building Authority. These bonds were all issued in connection with the construction of the new Public Safety Building.

During 2005 the County defeased the Lease Revenue Bonds through Zions Bank. The County advanced Zions Bank \$1,411,201 to defease the balance due on the Bonds of \$1,355,000. The gross savings on the debt service was \$403,220. The present value net loss was \$603.

The schedules of debt service payment required are as follows:

**Series 1997A General Obligation Bond:**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	18,000	32,950	50,950
2007	18,000	32,500	50,500
2008	19,000	32,050	51,050
2009	19,000	31,575	50,575
2010	20,000	31,100	51,100
2011-2015	106,000	147,825	253,825
2016-2020	673,000	120,300	793,300
2021-2025	<u>445,000</u>	<u>16,750</u>	<u>461,750</u>
Totals	<u>1,318,000</u>	<u>445,050</u>	<u>1,763,050</u>

**2001 CIB Special Assessment Bonds Payable:**

During 2001, the County created a special assessment district with Circle 4 Farms for the repayment of monies expended for a road project which benefited Circle 4 Farms. The terms of the agreement with the Community Impact Board require the County to make annual payments over 20 years with interest at 2.5%.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	33,000	16,225	49,225
2007	34,000	15,388	49,388
2008	35,000	14,530	49,530
2009	36,000	13,650	49,650
2010	37,000	12,750	49,750
2011-2015	200,000	49,412	249,412
2016-2020	225,000	23,242	248,242
2021-2025	49,000	1,212	50,212
Totals	<u>649,000</u>	<u>146,409</u>	<u>795,409</u>

**2004 General Obligation Advance and Current Refunding:**

Beaver County issued \$5,700,000 of General Obligation Refunding Bonds to provide resources to purchase U. S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$5,100,000 Series 1997B Criminal Justice General Obligation Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column in the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$600,000. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$205,558 and resulted in an economic gain of \$171,124.

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	50,000	224,323	274,323
2007	55,000	223,010	278,010
2008	55,000	221,498	276,498
2009	55,000	219,848	274,848
2010	385,000	212,285	597,285
2011-2015	2,155,000	832,881	2,987,881
2016-2020	2,075,000	386,935	2,461,935
2021-2025	820,000	36,520	856,520
Totals	<u>5,650,000</u>	<u>2,357,300</u>	<u>8,007,300</u>



**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Municipal Building Authority Lease Revenue Bonds:**

During 2005, the Municipal Building Authority authorized the issuance of \$8,400,000 of Lease Revenue Bonds for the purpose of building an addition to the current corrections facility in Beaver, Utah. The MBA issued \$6,900,000 during the year. The bonds also require a reserve fund of \$510,255 paid in six (6) annual installments of approximately \$85,042.50 beginning December 1, 2007.

The Municipal Building Authority has entered into a lease agreement with Beaver County for yearly payments sufficient for the MBA to make the debt service payments. Beaver County will make the lease payments from charges for services to the State of Utah for housing State inmates in the correctional facility.

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	-	-	-
2007	216,000	294,000	510,000
2008	223,000	286,440	509,440
2009	231,000	278,635	509,635
2010	239,000	270,550	509,550
2011-2015	1,326,000	1,221,325	2,547,325
2016-2020	1,576,000	972,335	2,548,335
2021-2025	1,872,000	676,585	2,548,585
2026-2030	1,217,000	541,220	1,758,220
Totals	<u>6,900,000</u>	<u>4,541,090</u>	<u>11,441,090</u>

The following is a summary of Bonds Payable to maturity for the Primary Government:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	127,855	275,969	403,824
2007	351,061	566,161	917,222
2008	332,000	554,518	886,518
2009	341,000	543,708	884,708
2010	681,000	526,685	1,207,685
2011-2015	3,787,000	2,251,443	6,038,443
2016-2020	4,549,000	1,502,812	6,051,812
2021-2025	3,186,000	731,067	3,917,067
2026-2030	1,217,000	541,220	1,758,220
Totals	<u>14,571,916</u>	<u>7,493,583</u>	<u>22,065,499</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The following is a schedule of changes in Bonds Payable for the Primary Government:

Description	Date of Issue	Interest Rate	Total Issued	Outstanding December 31, 2004	Issued	Matured	Outstanding December 31, 2005
1987 Swimming Pool Revenue Bonds	1987	4.50%	380,560	80,614	-	25,698	54,916
1997 A General Obligation Bonds	1997	2.50%	1,400,000	1,335,000	-	17,000	1,318,000
1997C MBA Lease Revenue Bonds	1997	4.6% - 5.2%	2,555,000	1,595,000	-	1,595,000	-
2001 CIB Special Assessment Bonds	2001	2.50%	775,000	682,000	-	33,000	649,000
2004 Refunding General Obligation Bonds	2004	2.5% - 4.4%	5,700,000	5,700,000	-	50,000	5,650,000
Less Deferred Amounts:							
For Issuance Discounts			(107,486)	(101,516)	-	(5,970)	(95,546)
On Refunding			(555,039)	(524,202)	-	(30,837)	(493,365)
Premium on Refunding			62,525	59,051	-	3,474	55,577
2005 CIB Lease Revenue Bonds	2005	3.50%	8,400,000	-	6,900,000	-	6,900,000
Total Bonds			18,610,560	8,825,947	6,900,000	1,687,365	14,038,582

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Component Units:**

**Bonds Payable:**

**Beaver County Special Hospital Service District #3:**

Beaver County Special Service District #3 Hospital lease revenue bonds, payable in installments through January 2017. Annual principal and interest payments in varying amounts commenced in January 1992, bearing interest at 3.5%.

258,000

Beaver County Special Service District #3 Lease Revenue Bonds issued in February 1996 with interest rate at 2.5%.

92,000

Total Bonds Payable - Beaver County Special Hospital Service District #3

350,000

Beaver County Special Hospital Service District #3 is primarily liable for repayment of the bond liability. Funds for said repayment will be made available through leasing the financed facilities to Milford Valley Memorial Hospital and/or discretionary allocation of the issuers tax levy revenues.

**Elk Meadows Special Service District:**

On August 5, 1998, the District issued Special Assessment Bonds, Series 1998, in the amount of \$1,163,182. Interest rate varies from 5.3% to 5.45%.

736,000

On December 12, 2001, the District issued Special Assessment Bonds, Series 2001, in the amount of \$364,462. Interest rate varies from 3.75% to 5.85%.

314,000

Total Bonds Payable - Elk Meadows Special Service District

1,050,000

**Beaver County Special Service District #2:**

Lease Revenue Bond Series 2004 due in annual installments ranging from \$26,125 to 49,661 with an interest rate of 2.5%.

415,000

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

Changes in bonds payable for the component units during 2003 were as follows:

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
Beaver Co. Hospital SSD	372,000	-	22,000	350,000
Elk Meadows SSD	1,140,000	-	90,000	1,050,000
Beaver Co. SSD #2	415,000	-	-	415,000
	<u>1,927,000</u>	<u>-</u>	<u>112,000</u>	<u>1,815,000</u>

**Loan Payable:**

**Elk Meadows Special Service District:**

In 2003 and 2004 Beaver County advanced the District \$100,000 each year to help in meeting the District's debt obligation on the special Assessment Bonds due to non-payment of Special Assessment Debt by Meadows Operations, Inc. The County will be repaid upon payment of the Special Assessment on the property now owned by Nimbus Loan Funds.

200,000

**Lease Obligations:**

Beaver County Special Hospital Service District #3 has the following lease obligation:

	Balance December 31, 2004	Issued	Retired	Balance December 31, 2005
\$97,400 originally issued during 2003.	53,944	-	25,949	27,995

Waste Management Service District #5 has the following lease obligations:

	Balance December 31, 2004	Issued	Retired	Balance December 31, 2005
\$223,000 originally issued with interest at 4.15%	-	223,000	-	223,000
Total	<u>-</u>	<u>223,000</u>	<u>-</u>	<u>223,000</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The following is a five year summary of debt service charges to maturity for the component units:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	226,655	149,186	375,841
2007	414,840	136,665	551,505
2008	224,500	115,976	340,476
2009	154,000	101,089	255,089
2010	162,000	87,643	249,643
2011-2015	691,000	191,021	882,021
2016-2020	260,000	72,888	332,888
2021-2025	129,000	14,365	143,365
2026-2030	<u>4,000</u>	<u>150</u>	<u>4,150</u>
Totals	<u>2,265,995</u>	<u>868,983</u>	<u>3,134,978</u>

**NOTE 8 - CLASS "B" ROAD - RESERVED FUND BALANCE**

The following is a statement of changes in Class "B" Roads Reserved Fund Balance:

Balance - Beginning of Year	705,956
Revenues:	
State Allotments	1,103,013
Forest Reserve	11,083
State Grants	72,480
Contributions	17,500
Reimbursements	108,004
Circle 4 Farm Contributions	<u>170,000</u>
Total Revenues	1,482,080
Expenditures	<u>(1,139,610)</u>
Balance - End of Year	<u>1,048,426</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 9 - DEBT SERVICE FUND**

The following is a statement of changes in Debt Service Fund:

Balance - Beginning of Year		2,382,603
Revenues:		
District Course Leases	72,947	
State Prisoner Contracts	674,874	
Interest Revenue	1,012	
Other	3,906	
Contribution from Circle 4 Farms	50,000	
Transfer from MBA Fund	<u>261,205</u>	
Total Revenues		1,063,944
Expenditures:		
Bond Interest Payments	(369,464)	
Bond Principal Payments	(1,711,000)	
Bond Costs	<u>(14,000)</u>	
Total Expenditures		<u>(2,094,464)</u>
Balance - End of Year		<u><u>1,352,083</u></u>

**NOTE 10 - MUNICIPAL BUILDING AUTHORITY**

On November 6, 1995, the County Commissioners organized the Municipal Building Authority to acquire, improve or extend one or more projects and to finance their costs on behalf of the public body that created it and to all other lawful things allowed by law for this type of corporation. The trustees of the Building Authority consists of three board members, who are the duly elected County Commissioners. The Building Authority is treated as a blended component unit for County reporting purposes.

**NOTE 11 - TRANSFERS**

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Debt Service Fund	265,112	-
Municipal Building Authority	<u>-</u>	<u>265,112</u>
	<u><u>265,112</u></u>	<u><u>265,112</u></u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 11 - TRANSFERS (CONTINUED)**

Transfers were made for the following purposes:

- \* The Municipal Building Authority transferred \$265,112 to the Debt Service Fund to facilitate debt service payments.

**NOTE 12 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Counties Insurance Pool, a self-funded risk financing pool administered by the Utah Association of Counties.

Through the Pool, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled locations, and crime. The Pool is reinsured through commercial companies in excess of \$100,150,000 for property to a limit of \$100,150,000 and \$2,250,000 for liability to a limit of \$3,000,000 with a combined excess aggregate of \$1,000,000 to \$1,350,000. The Pool does not provide coverage for all risks and hazards, however, the County has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

<u>Coverage Area</u>	<u>Company</u>	<u>Limit</u>
General Liability	UAC Insurance Pool	3,000,000
Public Officials	UAC Insurance Pool	2,000,000
Automobile	UAC Insurance Pool	2,250,000
Property	UAC Insurance Pool	100,150,000
Surety Bonds - Treasurer		350,000
Surety Bonds - Deputy Treasurer		25,000
Surety Bonds - Blanket		300,000

Claims have not exceeded coverage in any of the last three calendar years.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 13 - STATE OF UTAH RETIREMENT PLANS**

**Local Governmental - Cost Sharing**

**Plan Description:**

Beaver County contributes to the Local Governmental Noncontributory Retirement System and Public Safety Other Division A Noncontributory Retirement System for employers with Social Security coverage both of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement System (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments, death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy:**

Beaver County is required to contribute a percent of covered salary to the respective systems, 11.09% to the Noncontributory and 19.34% to the Public Safety Other Division A Noncontributory Systems. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Beaver County contributions to the various systems for the years ending December 31, 2005, 2004 and 2003 respectively were; for the Noncontributory System, \$130,207.65, \$123,209.30 and \$104,692.46; and for the Public Safety Other Division A Noncontributory, \$173,390.47, \$157,645.29 and \$132,060.59 respectively. The contributions were equal to required contributions for each year.



**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 14 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS**

Beaver County has five component units which are described below:

**Governmental Fund Types:**

**Beaver Fire District #1:**

The District provides emergency fire protection within the District.

**Beaver County Special Service District #2:**

The District provides fire protection within the District.

**Beaver County Special Hospital Service District #3:**

The District provides hospital services to the territory which includes the municipalities of Milford City and Minersville Town.

**Proprietary Fund Type:**

**Beaver Fire District #1:**

The District provides ambulance services to the general public on a continuing basis and financed through user charges.

**Waste Management Service District #5**

The District provides solid waste sanitation disposal services contracted with the District and billed monthly to the communities within the District on a per-resident basis.

**Elk Meadows Special Service District:**

The District was established for the purpose of construction, repairing and maintaining water, sewage, drainage, flood control, transportation, recreation, street lighting and snow removal services with the boundaries of the District.

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

**NOTE 14 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS (CONT.)**

Condensed Financial Statements for the year ended December 31, 2005, is as follows:

**Condensed Statement of Net Assets:**

**Governmental Types:**

	Beaver Fire District #1	Beaver Co. Special Service District #2	Beaver Co. Special Hospital Service District #3	Waste Management Service District #5	Elk Meadows Special Service District #6	Total
Current Assets	330,399	109,656	506,627	684,988	504,821	2,136,491
Noncurrent Assets:						
Restricted Cash	-	49	-	17,392	255,093	272,534
Prepaid Expenses	-	-	-	6,780	-	6,780
Special Assessments	-	-	-	-	859,916	859,916
Capital Assets (Net)	<u>674,317</u>	<u>513,209</u>	<u>572,657</u>	<u>623,870</u>	<u>1,967,189</u>	<u>4,351,242</u>
 Total Assets	 <u>1,004,716</u>	 <u>622,914</u>	 <u>1,079,284</u>	 <u>1,333,030</u>	 <u>3,587,019</u>	 <u>7,626,963</u>
 Liabilities:						
Current Liabilities	4,826	46,978	28,002	89,564	133,893	303,263
Noncurrent Liabilities:						
Long-Term Debt	-	382,000	350,000	-	1,155,000	1,887,000
Postclosure Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,627</u>	<u>-</u>	<u>389,627</u>
 Total Liabilities	 <u>4,826</u>	 <u>428,978</u>	 <u>378,002</u>	 <u>479,191</u>	 <u>1,288,893</u>	 <u>2,579,890</u>
 Net Assets:						
Capital Assets - Net						
of Related Debt	674,317	98,209	194,662	400,870	685,730	2,053,788
Restricted	-	49	35,450	17,392	255,094	307,985
Unrestricted	<u>325,573</u>	<u>95,678</u>	<u>471,170</u>	<u>435,577</u>	<u>1,357,302</u>	<u>2,685,300</u>
 Net Assets	 <u>999,890</u>	 <u>193,936</u>	 <u>701,282</u>	 <u>853,839</u>	 <u>2,298,126</u>	 <u>5,047,073</u>
 Total Liabilities and Net Assets	 <u>1,004,716</u>	 <u>622,914</u>	 <u>1,079,284</u>	 <u>1,333,030</u>	 <u>3,587,019</u>	 <u>7,626,963</u>

**BEAVER COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2005**

**NOTE 14 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS (CONT.)**

**Condensed Statement of Revenues, Expenses and Changes in Net Assets:**

**Governmental Activities:**

	Beaver Fire District #1	Beaver Co. Special Service District #2	Beaver Co. Special Hospital Service District #3	Total
Revenues	76,633	117,800	316,298	510,731
Current Expenses	<u>(71,511)</u>	<u>(82,886)</u>	<u>(156,489)</u>	<u>(310,886)</u>
Change in Net Assets	5,122	34,914	159,809	199,845
Net Assets - Beginning	<u>551,172</u>	<u>133,398</u>	<u>541,473</u>	<u>1,226,043</u>
Net Assets - Ending	<u><u>556,294</u></u>	<u><u>168,312</u></u>	<u><u>701,282</u></u>	<u><u>1,425,888</u></u>

**Business Type Activities:**

	Beaver Fire District #1	Waste Management Service District #5	Elk Meadows Special Service District #6	Total
Operating Revenue	118,832	418,007	240,162	777,001
Operating Expenses:				
Depreciation	(41,798)	(60,055)	(60,983)	(162,836)
Other	<u>(110,672)</u>	<u>(445,294)</u>	<u>(168,280)</u>	<u>(724,246)</u>
Operating Income (Loss)	<u>(33,638)</u>	<u>(87,342)</u>	<u>10,899</u>	<u>(110,081)</u>
Non-Operating Revenues:				
Operating Grants and Intergovernmental	15,632	156,405	-	172,037
Other Income (Expense)	5,206	-	-	5,206
Interest Income	2,051	17,195	71,677	90,923
Interest Expense	<u>-</u>	<u>-</u>	<u>(58,313)</u>	<u>(58,313)</u>
Total Non-Operating Revenues	<u>22,889</u>	<u>173,600</u>	<u>13,364</u>	<u>209,853</u>
Change in Net Assets	(10,749)	86,258	24,263	99,772
Net Assets - Beginning	<u>423,192</u>	<u>767,581</u>	<u>2,218,130</u>	<u>3,408,903</u>
Net Assets - Ending	<u><u>412,443</u></u>	<u><u>853,839</u></u>	<u><u>2,242,393</u></u>	<u><u>3,508,675</u></u>

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**BEAVER COUNTY  
CONDITION RATING OF THE COUNTY'S ROAD SYSTEM**

**For The Year Ended December 31, 2005**

Percentage of Lane-Miles in Good or Better Condition:

	2005	2004	2003
Paved	60	57	63
Gravel	57	55	59
Dirt	59	57	65
Overall System	58	57	61

Percentage of Lane-Miles in Substandard Condition:

	2005	2004	2003
Paved	14	19	16
Gravel	12	14	11
Dirt	11	14	11
Overall System	12	16	13

Comparison of Needed-to-Actual Maintenance/Preservation:

	2005	2004	2003	2002	2001
Paved:					
Needed	1,600,000	1,425,000	1,400,000	1,500,000	1,500,000
Actual	1,400,000	1,300,000	1,200,000	1,448,000	1,436,000
Gravel:					
Needed	600,000	525,000	450,000	500,000	500,000
Actual	525,000	485,000	440,000	495,000	480,000
Dirt:					
Needed	550,000	500,000	500,000	500,000	500,000
Actual	500,000	485,000	485,000	490,000	486,236
Roads and Bridges:					
Needed	950,000	950,000	950,000	950,000	950,000
Actual	940,000	930,000	930,000	920,000	975,000

The condition of road pavement is measured using the American... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 60 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule presents the information for the last three years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years.

The condition of the County's bridges is determined using its Bridge Management and Inspection Program (BMIP). The bridge condition rating which is a weighted average of an assessment of the ability of individual components to function structurally, uses a numerical condition scale ranging from 1.0 (impaired or load restricted) to 7.0 (New). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of 1.0 to 1.9 below 1 percent. All bridges are inspected every two years.

**BEAVER COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2005**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	1,344,306	1,344,306	1,344,306	-
Resources (Inflows):				
Taxes:				
General Property Taxes	600,000	600,000	617,573	17,573
Assessing and Collecting Taxes	230,000	230,000	298,431	68,431
Fee-In-Lieu	60,000	60,000	61,063	1,063
Delinquent Prior Years Taxes	75,000	75,000	90,990	15,990
General Sales and Use Taxes	330,000	330,000	328,660	(1,340)
Total Taxes	1,295,000	1,295,000	1,396,717	101,717
Licenses and Permits:				
Building Permits	30,000	30,000	38,811	8,811
Non-Business Licenses and Permits	27,000	27,000	37,509	10,509
Total Licenses and Permits	57,000	57,000	76,320	19,320
Intergovernmental Revenue:				
Federal Payments in Lieu of Taxes	520,000	520,000	529,174	9,174
Council On Aging	134,000	134,000	161,068	27,068
State PILT	5,000	5,000	-	(5,000)
State Grants	145,000	145,000	160,716	15,716
State Liquor Allotment	7,000	7,000	10,080	3,080
City Economic Development Contribution	45,000	45,000	30,000	(15,000)
Total Intergovernmental Revenue	856,000	856,000	891,038	35,038
Charges for Services:				
Recorder's Fees	40,000	40,000	56,856	16,856
Clerk's Fees	7,000	7,000	5,886	(1,114)
Treasurer's Fees	1,000	1,000	1,575	575
Sheriff Fees	25,000	25,000	25,827	827
State Prisoner Contract	1,850,000	1,850,000	1,855,572	5,572
Inmate Services Revenue	125,000	125,000	155,761	30,761
Inmate Medical Reimbursements	70,000	70,000	35,001	(34,999)
Animal Control Contract	45,000	45,000	23,422	(21,578)
Milford Police Contract	295,000	295,000	277,674	(17,326)
Minersville Lake Fees	-	-	6,519	6,519
Court Contracts	24,800	24,800	27,761	2,961
County Fair Revenue	15,000	15,000	9,844	(5,156)
Other	16,000	16,000	4,393	(11,607)
Total Charges for Services	2,513,800	2,513,800	2,486,091	(27,709)

Continued

**BEAVER COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note A)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Resources (Inflows) Continued:</b>				
Fines and Forfeitures:				
Justice Court Fines	<u>595,388</u>	<u>598,480</u>	<u>770,452</u>	<u>171,972</u>
Miscellaneous Revenue:				
Sale of Materials and Supplies	140,000	140,000	158,300	18,300
Sundry Revenues	25,000	25,000	13,728	(11,272)
Interest	<u>40,000</u>	<u>40,000</u>	<u>112,951</u>	<u>72,951</u>
Total Miscellaneous Revenue	<u>205,000</u>	<u>205,000</u>	<u>284,979</u>	<u>79,979</u>
Contributions and Transfers:				
Transfers from Other Funds	<u>53,450</u>	<u>53,450</u>	<u>-</u>	<u>(53,450)</u>
Amounts Available for Appropriation	<u>6,919,944</u>	<u>6,923,036</u>	<u>7,249,903</u>	<u>326,867</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government:				
Commission	165,500	192,600	192,451	149
District Court	55,000	53,200	52,070	1,130
Justice Court - Beaver	161,934	157,100	156,719	381
Justice Court - Minersville	17,575	17,300	16,993	307
Central Processing	39,378	41,700	41,489	211
Data Processing	110,996	102,500	102,181	319
Clerk-Auditor	124,307	126,400	126,061	339
Treasurer	118,516	118,300	117,972	328
Recorder	127,949	127,600	127,413	187
Attorney	251,670	254,500	254,208	292
Assessor	136,771	138,850	138,571	279
Milford Administrative Office	47,665	45,200	44,662	538
Non-Departmental	67,500	114,800	114,773	27
Courthouse and Grounds	178,802	61,500	61,265	235
Elections	<u>1,000</u>	<u>500</u>	<u>434</u>	<u>66</u>
Total General Government	<u>1,604,563</u>	<u>1,552,050</u>	<u>1,547,262</u>	<u>4,788</u>

Continued

**BEAVER COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
<b>Charges to Appropriations (Outflows) Continued:</b>				
Public Safety:				
Sheriff	879,962	814,700	813,747	953
Corrections	2,370,269	2,501,500	2,500,397	1,103
Fire Warden	30,000	28,100	28,069	31
Building, Zoning, Economic Development	62,162	64,500	64,268	232
Animal Control	64,179	46,280	46,065	215
Civil Defense	11,500	11,000	10,925	75
Emergency Medical Services	2,000	2,000	1,620	380
Predator Control	10,000	10,600	10,540	60
Victim Advocate	29,289	29,700	29,452	248
Welfare and Indigent Care	5,000	5,000	4,417	583
Total Public Safety	<u>3,464,361</u>	<u>3,513,380</u>	<u>3,509,500</u>	<u>3,880</u>
Health and Public Welfare:				
Council On Aging	<u>205,460</u>	<u>212,800</u>	<u>212,707</u>	<u>93</u>
Parks, Recreation and Public Property:				
Recreation and Television	<u>5,000</u>	<u>3,600</u>	<u>3,537</u>	<u>63</u>
Conservation and Economic Development:				
County Fair	15,750	65,300	65,012	288
Contributions to Other Government Units	110,000	85,000	84,640	360
Economic Development	-	56,000	55,553	447
Miscellaneous Expense	35,000	32,000	31,435	565
Agriculture and Extension Services	<u>65,504</u>	<u>58,600</u>	<u>58,379</u>	<u>221</u>
Total Conservation and Economic Development	<u>226,254</u>	<u>296,900</u>	<u>295,019</u>	<u>1,881</u>
Contributions and Transfers:				
Transfers to Other Funds	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>5,575,638</u>	<u>5,578,730</u>	<u>5,568,025</u>	<u>10,705</u>
Budgetary Fund Balance - December 31	<u>1,344,306</u>	<u>1,344,306</u>	<u>1,681,878</u>	<u>337,572</u>



**BEAVER COUNTY  
BUDGETARY COMPARISON SCHEDULE  
CLASS B ROAD**

**For The Year Ended December 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	<u>705,956</u>	<u>705,956</u>	<u>705,956</u>	<u>-</u>
Resources (Inflows):				
Intergovernmental	1,160,500	1,160,500	1,186,577	26,077
Contributions from Private Sources	120,000	120,000	120,000	-
Miscellaneous	17,500	17,500	125,504	108,004
Surplus	<u>133,000</u>	<u>133,000</u>	<u>-</u>	<u>(133,000)</u>
Amounts Available for Appropriation	<u>2,136,956</u>	<u>2,136,956</u>	<u>2,138,037</u>	<u>1,081</u>
Charges to Appropriations (Outflows):				
County Roads	1,240,000	1,240,000	982,631	257,369
Capital Outlay	<u>191,000</u>	<u>191,000</u>	<u>156,980</u>	<u>34,020</u>
Total Charges to Appropriations	<u>1,431,000</u>	<u>1,431,000</u>	<u>1,139,611</u>	<u>291,389</u>
Budgetary Fund Balance - December 31	<u><u>705,956</u></u>	<u><u>705,956</u></u>	<u><u>998,426</u></u>	<u><u>292,470</u></u>

**BEAVER COUNTY  
NOTE A  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

**For The Year Ended December 31, 2005**

	<u>General Fund</u>	<u>Class B Road</u>
<b>Sources/Inflows and Resources:</b>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	7,249,903	2,138,037
<b>Differences - Budget to GAAP:</b>		
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(1,344,306)	(705,956)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>-</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>5,905,597</u>	<u>1,432,081</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	5,568,025	1,139,611
<b>Differences - Budget to GAAP:</b>		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting pruposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>5,568,025</u>	<u>1,139,611</u>

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is used to assist in formatting, for easier reading)

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**COMBINING FINANCIAL  
STATEMENTS AND SCHEDULES**

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is used to assist in formatting, for easier reading)

**BEAVER COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**

**For The Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
<b>PROPERTY TAX FUND</b>				
<b>ASSETS</b>				
Cash	765,537	6,217,308	5,524,097	1,458,748
Taxes Receivable	17,189	18,561	17,189	18,561
<b>TOTAL ASSETS</b>	<b>782,726</b>	<b>6,235,869</b>	<b>5,541,286</b>	<b>1,477,309</b>
<b>LIABILITIES</b>				
Due to Taxing Units	781,467	6,212,018	5,516,376	1,477,109
Collections Payable	1,259	7,721	8,780	200
<b>TOTAL LIABILITIES</b>	<b>782,726</b>	<b>6,219,739</b>	<b>5,525,156</b>	<b>1,477,309</b>
<b>PAYROLL FUND</b>				
<b>ASSETS</b>				
Cash	-	496,500	496,500	-
<b>LIABILITIES</b>				
Collections Payable	-	496,500	496,500	-
<b>CLERK'S COURT TRUST FUND</b>				
<b>ASSETS</b>				
Cash	(2,965)	22,320	11,624	7,731
Accounts Receivable	10,834	11,083	10,834	11,083
<b>TOTAL ASSETS</b>	<b>7,869</b>	<b>33,403</b>	<b>22,458</b>	<b>18,814</b>
<b>LIABILITIES</b>				
Collections Payable	7,869	33,403	22,458	18,814
<b>T. V. TRUST FUND</b>				
<b>ASSETS</b>				
Cash	5,556	-	-	5,556
<b>LIABILITIES</b>				
Collections Payable	5,556	-	-	5,556

**BEAVER COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**

**For The Year Ended December 31, 2005**

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash	768,128	6,736,128	6,032,221	1,472,035
Accounts Receivable	10,834	11,083	10,834	11,083
Taxes Receivable	17,189	18,561	17,189	18,561
<b>TOTAL ASSETS</b>	<u>796,151</u>	<u>6,765,772</u>	<u>6,060,244</u>	<u>1,501,679</u>
<b>LIABILITIES</b>				
Due to Taxing Units	781,467	6,212,018	5,516,376	1,477,109
Collections Payable	14,684	537,624	527,738	24,570
<b>TOTAL LIABILITIES</b>	<u>796,151</u>	<u>6,749,642</u>	<u>6,044,114</u>	<u>1,501,679</u>

**BEAVER COUNTY  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS**

**For The Year Ended December 31, 2005**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Restaurant Tax:**

This fund collects restaurant tax monies to fund economic development to the County.

**Tushar Lakeside Campground:**

This fund accounts for the collection of fees on the campground and the payments for upkeep of the property.

**Transient Room Tax Fund:**

This fund is used to account for room taxes collected within the County to fund the economic development activities of the County.

**Library Fund:**

This fund accounts for the activities of the bookmobile and libraries in the County.

**Public Health:**

This fund is used to account for taxes collected for the purpose of funding public health services in the County.

**E-911 Fund:**

This fund is used to account for monies collected on telephone bills for providing 911 emergency services in the County.

**Mosquito Abatement:**

This fund is used to account for controlling mosquitoes in the County.



**BEAVER COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2005

	Restaurant Tax	Tushar Camp Ground	Transient Room Tax	Library	Public Health	E-911	Mosquito Abatement	Total Nonmajor Government Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	73,899	15,084	100,184	74,339	25,183	47,320	423	336,432
Accounts Receivable	-	-	-	-	-	6,983	-	6,983
Due from Other Government Units	21,162	-	19,001	-	-	-	-	40,163
<b>TOTAL ASSETS</b>	<u>95,061</u>	<u>15,084</u>	<u>119,185</u>	<u>74,339</u>	<u>25,183</u>	<u>54,303</u>	<u>423</u>	<u>383,578</u>
<b>LIABILITIES AND FUND EQUITY</b>								
Liabilities:								
Accounts Payable	-	-	-	33,750	-	-	-	33,750
Fund Balances:								
Unreserved:								
Special Revenue Funds	95,061	15,084	119,185	40,589	25,183	54,303	423	349,828
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>95,061</u>	<u>15,084</u>	<u>119,185</u>	<u>74,339</u>	<u>25,183</u>	<u>54,303</u>	<u>423</u>	<u>383,578</u>

**BEAVER COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

For The Year ended December 31, 2005

	Restaurant Tax	Tushar Camp Ground	Transient Room Tax	Library	Public Health	E-911	Mosquito Abatement	Total Nonmajor Gov't Funds
<b>Revenues:</b>								
Taxes	77,516	-	103,230	73,077	44,047	-	-	297,870
Miscellaneous	-	8,444	5,175	-	-	39,104	-	52,723
<b>Total Revenues</b>	<b>77,516</b>	<b>8,444</b>	<b>108,405</b>	<b>73,077</b>	<b>44,047</b>	<b>39,104</b>	<b>-</b>	<b>350,593</b>
<b>Expenditures:</b>								
Current:								
Public Safety	-	-	-	-	-	47,880	-	47,880
Public Health	-	-	-	-	45,223	-	-	45,223
Culture and Recreation	-	14,180	-	63,300	-	-	-	77,480
County Promotion	88,000	-	66,660	-	-	-	-	154,660
<b>Total Expenditures</b>	<b>88,000</b>	<b>14,180</b>	<b>66,660</b>	<b>63,300</b>	<b>45,223</b>	<b>47,880</b>	<b>-</b>	<b>325,243</b>
<b>Net Change in Fund Balance</b>	<b>(10,484)</b>	<b>(5,736)</b>	<b>41,745</b>	<b>9,777</b>	<b>(1,176)</b>	<b>(8,776)</b>	<b>-</b>	<b>25,350</b>
<b>Fund Balances - Beginning</b>	<b>105,545</b>	<b>20,820</b>	<b>77,440</b>	<b>30,812</b>	<b>26,359</b>	<b>63,079</b>	<b>423</b>	<b>324,478</b>
<b>Fund Balances - Ending</b>	<b>95,061</b>	<b>15,084</b>	<b>119,185</b>	<b>40,589</b>	<b>25,183</b>	<b>54,303</b>	<b>423</b>	<b>349,828</b>

**BEAVER COUNTY  
TREASURER'S TAX COLLECTION AGENCY FUND  
BALANCE SHEET**

**December 31, 2005**

**ASSETS:**

Cash Invested	1,458,748
Taxes Receivable	<u>19,413</u>
<b>TOTAL ASSETS</b>	<b><u><u>1,478,161</u></u></b>

**LIABILITIES:**

Collections Payable	1,052
Due to Taxing Units	<u>1,477,109</u>
<b>TOTAL LIABILITIES</b>	<b><u><u>1,478,161</u></u></b>

**BEAVER COUNTY  
COUNTY TREASURER  
CURRENT YEAR TAXABLE VALUES**

December 31, 2005

TAXING UNITS		Real and Centrally Assessed Values	Total Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
County Funds:								
General		452,593,413	.001420	642,683	8,997,524	.001442	12,974	655,657
Tax Collection - State		452,593,413	.000173	78,299	8,997,524	.000180	1,620	79,918
Tax Collection - County		452,593,413	.000300	135,778	8,997,524	.000199	1,791	137,569
Library		452,593,413	.000141	63,816	8,997,524	.000143	1,287	65,102
Public Health		452,593,413	.000085	38,470	8,997,524	.000086	774	39,244
Total County Funds				959,045			18,445	977,490
City	Beaver County School District	452,593,413	.006818	3,085,782	8,997,524	.006298	56,666	3,142,448
	Beaver School Levy	452,593,413	.001720	778,461	8,997,524	.001800	16,196	794,656
Total School District				3,864,243			72,862	3,937,105
Cities and Towns:								
Beaver		88,532,527	.000917	81,184	4,504,769	.000908	4,090	85,275
Milford		39,509,645	.002616	103,357	1,202,458	.002596	3,122	106,479
Minersville		14,488,130	.001783	25,832	141,487	.001782	252	26,084
Total Cities and Towns				210,374			7,464	217,838
Other:								
Fire District #1		168,366,579	.000400	67,347	5,892,103	.000366	2,157	69,503
Fire District #2		262,965,264	.000285	74,945	2,329,823	.000283	659	75,604
Service District #3		262,965,264	.000682	179,342	2,329,823	.000678	1,580	180,922
Elk Meadows District		21,261,570	.001078	22,920	775,606	.001138	883	23,803
Total Other				344,554			5,278	349,832
GRAND TOTALS				5,378,216			104,049	5,482,265

**BEAVER COUNTY  
COUNTY TREASURER  
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED  
CURRENT AND PRIOR YEARS**

**December 31, 2005**

TAXING UNITS	Current Years Taxes			
	Taxes Charged	Treasurer's Relief		
		Unpaid Taxes	Abatements	Other
County Funds:				
General	655,657	33,478	3,153	1,308
Tax Collection - State	79,918	4,079	384	166
Tax Collection - County	137,569	7,073	666	97
Library	65,102	3,324	313	130
Public Health	39,244	2,004	189	77
Total County Funds	977,490	49,958	4,705	1,778
Beaver County School District	3,142,448	160,740	15,136	5,224
Beaver School Levy	794,656	40,550	3,818	1,676
Total School District	3,937,104	201,290	18,954	6,900
Towns:				
Beaver City	85,275	5,259	784	765
Milford	106,479	11,194	545	406
Minersville	26,084	1,640	366	130
Total Towns	217,838	18,093	1,695	1,301
Other:				
Fire District #1	69,503	3,638	595	(103)
Fire District #2	75,604	2,404	209	100
Service District #3	180,922	5,752	499	242
Elk Meadows District	23,803	6,519	2	862
Total Other	349,832	18,313	1,305	1,101
GRAND TOTALS	5,482,264	287,654	26,659	11,080

Current Years Taxes			Other Collections			
Total Treasurer's Relief	Taxes Collected	Collection Rate	Fee In Lieu	Miscellaneous Collections	Delinquencies	
					Tax	Interest and Penalty
37,939	617,718	94.21%	61,063	8,930	55,584	34,454
4,629	75,289	94.21%	7,622	1,115	6,929	350
7,836	129,733	94.30%	8,427	1,232	7,667	386
3,767	61,335	94.21%	6,055	886	5,505	277
2,270	36,974	94.22%	3,642	533	3,325	168
56,441	921,049	94.23%	86,809	12,696	79,010	35,635
181,100	2,961,348	94.24%	266,694	38,988	233,922	11,469
46,044	748,612	94.21%	76,222	11,150	68,854	3,436
227,144	3,709,960	94.23%	342,916	50,138	302,776	14,905
6,808	78,467	92.02%	17,924	1,119	8,752	295
12,145	94,334	88.59%	19,522	14,019	9,481	274
2,136	23,948	91.81%	9,107	353	1,939	63
21,089	196,749	90.32%	46,553	15,491	20,172	632
4,130	65,373	94.06%	10,112	790	4,711	166
2,713	72,891	96.41%	4,141	1,084	6,617	379
6,493	174,429	96.41%	9,921	2,597	15,845	908
7,383	16,420	68.98%	50	231	2,341	129
20,719	329,113	94.08%	24,224	4,702	29,514	1,582
325,393	5,156,871	94.06%	500,502	83,027	431,472	52,754

**BEAVER COUNTY  
TAX COLLECTION AGENCY FUND  
CASH RECEIPTS AND DISBURSEMENTS**

**For The Year Ended December 31, 2005**

	Treasurer's Balance December 31, 2004	Tax Collection Receipts	Current Taxes Apportioned
<b>Tax Collection Accounts:</b>			
Current Years Taxes	-	5,155,812	(5,155,812)
Fee In Lieu	-	500,502	-
Delinquent Taxes	-	484,226	-
Miscellaneous	-	83,027	-
Prepayments	1,059	1,052	(1,059)
Service District #5	-	81	-
Imprest Balance in Checking	200	-	-
Refunds, Rebates	-	7,640	-
	<hr/>	<hr/>	<hr/>
Total Collections	1,259	6,232,340	(5,156,871)
	<hr/>	<hr/>	<hr/>
<b>Taxing Units:</b>			
County General Fund	-	-	617,718
Assessing and Collecting - State	-	-	75,289
Assessing and Collecting - County	-	-	129,733
County Library Fund	-	-	61,335
County Public Health	-	-	36,974
Beaver School District	679,920	-	3,709,960
Cities and Towns:			
Beaver City	6,709	-	78,467
Milford	23,123	-	94,334
Minersville	2,535	-	23,948
Other Districts:			
Fire District #1	7,302	-	65,373
Fire District #2	18,013	-	72,891
Service District #3	43,151	-	174,429
Elk Meadows SSD	714	-	16,420
	<hr/>	<hr/>	<hr/>
Total Due Taxing Units	781,467	-	5,156,871
	<hr/>	<hr/>	<hr/>
<b>GRAND TOTALS</b>	<u>782,726</u>	<u>6,232,340</u>	<u>-</u>

<u>Fee-In-Lieu Apportioned</u>	<u>Delinquent Taxes Apportioned</u>	<u>Car and Bus And Interest</u>	<u>Total</u>	<u>Disbursements</u>	<u>Treasurer's Balance December 31, 2005</u>
-	-	-	-	-	-
(500,502)	-	-	-	-	-
-	(484,226)	-	-	-	-
-	-	(83,027)	-	-	-
-	-	-	1,052	-	1,052
-	-	-	81	81	-
-	-	-	200	200	-
-	-	-	7,640	7,640	-
<u>(500,502)</u>	<u>(484,226)</u>	<u>(83,027)</u>	<u>8,973</u>	<u>7,921</u>	<u>1,052</u>
61,063	90,039	8,930	777,750	777,750	-
7,622	7,279	1,115	91,305	91,305	-
8,427	8,053	1,232	147,445	147,445	-
6,056	5,782	886	74,059	74,059	-
3,642	3,493	533	44,642	44,642	-
342,916	317,681	50,138	5,100,615	3,787,857	1,312,758
17,924	9,047	1,119	113,266	100,786	12,480
19,522	9,755	14,019	160,753	143,422	17,331
9,107	2,002	353	37,945	34,371	3,574
10,112	4,877	790	88,454	75,717	12,737
4,141	6,996	1,084	103,125	68,885	34,240
9,921	16,753	2,597	246,851	164,913	81,938
49	2,469	231	19,883	17,834	2,049
<u>500,502</u>	<u>484,226</u>	<u>83,027</u>	<u>7,006,093</u>	<u>5,528,986</u>	<u>1,477,107</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,015,066</u>	<u>5,536,907</u>	<u>1,478,159</u>



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is used to assist in formatting, for easier reading)

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## **COMPLIANCE SECTION**

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# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Beaver County as and for the year ended December 31, 2005, which collectively comprise Beaver County's basic financial statements and have issued our report thereon dated May 30, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Beaver County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaver County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to the management of Beaver County in a separate letter dated May 30, 2006.

The Honorable Board of County Commissioners  
Beaver County  
Page -2-

This report is intended solely for the information and use of the audit committee, management, and County Commission and is not intended to be and should not be used by anyone other than these specified parties.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

May 30, 2006  
Richfield, Utah

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Beaver County, for the year ended December 31, 2005, and have issued our report thereon dated May 30, 2006. As part of our audit, we have audited Beaver County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2005. The County received the following major State assistance programs from the State of Utah:

B Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Beaver County's financial statements.)

GIS Grant (Department of Administrative Services)  
History Grant (Department of Community and Economic Development)  
Predator Control (Department of Agriculture)  
Minersville State Park (Department of Natural Resources)  
VOCA Grant (Governor's Office)  
Bridge Grant (Department of Community and Economic Development)  
Courthouse Grant (Department of Community and Economic Development)  
LEPC (Department of Community and Economic Development)  
Victim Advocate Grant (Department of Public Safety)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation & Property Tax Limitations  
Liquor Law Enforcement  
Justice Court  
B & C Road Funds

Other General Issues  
Uniform Building Code Standards  
Statement of Taxes Charged  
Collected & Disbursed  
Assessing and Collecting of  
Property Taxes  
Transient Room Tax

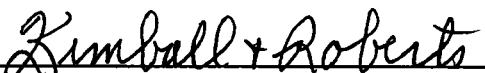
The Honorable Board of County Commissioners  
Beaver County  
Page -2-

The management of Beaver County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Beaver County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to its major State assistance programs for the year ended December 31, 2005.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

May 30, 2006  
Richfield, Utah

**BEAVER COUNTY  
MANAGEMENT LETTER  
DECEMBER 31, 2005**

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

May 30, 2006

The Honorable Board of County Commissioners  
Beaver County  
Beaver, Utah 84713

During our audit of the funds of Beaver County for the year ended December 31, 2005, we noted an area needing corrective action in order for the County to be in compliance with state laws and regulations. This item is discussed below for your consideration.

## **COMPLIANCE:**

### **Justice Courts**

#### **Finding:**

During our tests of the Minersville Justice Court we noted that some of the dockets selected for testing had fine reductions or suspensions but there was not an appropriate reason or explanation for the reduction or suspension.

#### **Recommendation:**


We recommend that when a reduction or suspension is given for a violation that the judge indicate in the docket the judicial reason for the reduction or suspension of the fine.

#### **Response:**

The above finding was discussed with Beaver County officials and they concur with the recommendation.

We would like to take this opportunity to thank Beaver County's personnel for the cooperation and assistance given to us during the course of our examination.

Respectfully submitted,

  
KIMBALL & ROBERTS  
Certified Public Accountants

DKK/vl